

IOWA COLLEGE AID

Education and Training Voucher Program



March 2023

INTRODUCTION

Funded by the Federal government and administered by the Iowa College Student Aid Commission (Iowa College Aid), the Education and Training Voucher (ETV) program awards up to \$5,000 a year to students who aged out of the state foster care system or were adopted after age 16. Students may receive money for either five academic years or until age 26, whichever is first. Students can use ETV for tuition/fees, room/board, books/supplies, and other personal living expenses.

For the following analyses, we use custom data sets from the Free Application for Federal Student Aid (FAFSA), Iowa College Aid Processing System (ICAPS), and National Student Clearinghouse (NSC). We establish first-time, first-year cohorts by first identifying students who self-report on the FAFSA as first-year students and ICAPS indicates students received their first ETV award in that same year. Additionally, we remove students with a previous credential according to NSC data. In this report, we discuss the demographics of each cohort and then detail how they progress through postsecondary education. Finally, we recommend that students renewing their ETV award no longer file the Iowa Financial Aid Application due to an administrative burden to them.

¹ Due to monies from the Consolidated Appropriations Act, 2021, students receiving the ETV in 2021-22 years could receive a maximum award of \$12,000. For the 2022-23 academic year, the maximum award reverted back to \$5,000 per academic year.

DESCRIPTIVE ANALYSES

The number of first-time college and first-year recipients of the ETV has been declining over time. For example, in 2015-16, there were 101 first-time, first-year ETV recipients. In 2020-21, this number had decreased to 48 first-time, first-year ETV recipients. In 2021-22, the number grew to 55. Throughout the last ten years, women have outnumbered men by around three-to-two. During the first five years, around 65% of students were first-generation college students. But, the concentration of first-generation college students has been at least 73% over the past four years. Except for one year, the average expected family contribution has been under \$100. The average first-year award doubled between 2020-21 to 2021-22 because of an increase in allowable awards from \$5,000 to \$12,000 from the Federal Consolidated Appropriations Act, 2021. The allowable award reverted back to \$5,000 for the 2022-23 academic year. Finally, typical first-time, first-year ETV recipients received ETV awards for just under two academic years.

Table 1. Descriptive Statistics of Program Participants: 2012-13 to 2021-22

Cohort	Number of Students	Female		First-Generation		Average EFC	Average First-Year Award	Average Number of Years Receiving Award
		Awarded (%)	Awarded (N)	Awarded (%)	Awarded (N)			
2012-13	65	51%	33	58%	38	\$13	\$2,854	1.8
2013-14	75	58%	74	65%	47	\$93	\$3,423	1.6
2014-15	51	57%	29	65%	33	\$74	\$3,069	1.9
2015-16	101	58%	59	65%	66	\$126	\$3,039	2
2016-17	65	60%	39	65%	42	\$56	\$2,987	1.9
2017-18	79	62%	48	65%	51	\$0	\$3,266	1.9
2018-19	62	56%	34	76%	47	\$4	\$3,223	1.9
2019-20	65	66%	43	74%	48	\$94	\$3,552	1.7
2020-21	48	71%	34	81%	39	\$0	\$3,610	1.3
2021-22	55	60%	33	73%	40	\$71	\$6,921	
Averages of First-Time Recipients in First-Year of College	666	59%	393	68%	451	\$57	\$3,517	1.8
Averages of All Recipients	850	61%	519	68%	577	\$103	\$3,618	1.7

Cohorts are defined by whether the student is in their first year of college (as defined by their FAFSA submission) and in their first year of receiving the ETV. If NSC data reports that the student had previously received a postsecondary credential, they were not included within the cohort. Any student taking a single course throughout the academic year that meets this definition is included in a cohort.

The persistence rate reflects the number of non-graduates that continue in colleges from academic year-to-academic year (see Table 2). While there are noticeable differences in third-year persistence among cohorts, fourth-year persistence is remarkably similar across cohorts. With the exception of the 2015-16 cohort, fifth-year retention among the cohorts was around 20%. The second year persistence rate began at its highest of 62% in 2012-13. Persistence dropped to 46% in 2014-15, where it hovered until 2017-18. The persistence rate picked up during the 2018-19 and 2019-20 cohorts but dropped to a low of 40% in the 2020-21 cohort.

Overall, the striking contrast in second-year retention between 2019-20 and 2020-21 presents an interesting juxtaposition. The 2019-20 cohort, who were in college at the start of the Pandemic, had the highest second-year persistence since the 2013-14 cohort. Additionally, the cohort has the second-highest third-year persistence of all cohorts. Meanwhile, the 2020-21 cohort of students beginning college during the Pandemic had the lowest second-year persistence of any cohort by five percentage points. One possible explanation for the dramatic decrease in retention is the increase in wages for low-wage earners (Zhang & Saving, 2022). There is a possibility that the familial and life circumstances of many ETV recipients view the Pandemic and post-Pandemic increase in wages as an enticing substitute for the potential long-term earnings gained from a college credential.

Table 2. Persistence of First-Time, First-Year Recipients after Entering College: 2012-13 to 2020-21 Cohorts

Cohort	Number of Students	2nd Year		3rd Year		4th Year		5th Year	
		Awarded (%)	Awarded (N)	Awarded (%)	Awarded (N)	Awarded (%)	Awarded (N)	Awarded (%)	Awarded (N)
2012-13	65	62%	40/65	48%	30/63	30%	18/61	23%	13/57
2013-14	75	55%	40/73	35%	35/72	24%	16/68	21%	13/63
2014-15	51	46%	23/50	36%	17/47	27%	12/45	18%	8/44
2015-16	101	45%	45/100	36%	36/99	31%	29/95	12%	10/85
2016-17	65	45%	29/64	35%	22/62	29%	17/58	22%	12/55
2017-18	79	46%	36/79	34%	26/76	29%	21/72	21%	15/72
2018-19	62	49%	30/61	38%	23/60	29%	17/59		
2019-20	65	55%	35/64	46%	28/61				
2020-21	48	40%	19/48						

Persistence is measured by the total number of students taking any kind of academic coursework in the years following their first year of college divided by the number of students in a cohort without a college degree. Cohorts are defined by whether the student is in their first year of college (as defined by their FAFSA submission) and in their first year of receiving the ETV. If NSC data reports that the student had previously received a postsecondary credential, they were not included within the cohort. Any student taking a single course throughout the academic year that meets this definition is included in a cohort.

Table 3 indicates the percentage of students receiving any postsecondary credential after four and six years of college. Of first-time recipients in their first year of college from 2012-13 to 2018-19, 67 (13%) students received some kind of credential in four years. Until the 2017-18 and 2018-19 cohorts, 14% to 16% of students graduated with a credential within four years. For 2017-18, that percentage dropped to 9% and recovered slightly to 11% for the 2018-19 cohort. Regarding the six-year outcomes for the 2012-13 to 2016-17 cohorts, 71 (20%) students received some postsecondary credentials.

While 20% of Iowa's ETV recipients graduated in six years, 16% of ETV recipients across ten states graduated by the age of 24 (Hanson, 2022). When looking at students that went to college that could have been ETV recipients, Hanson et al. (2022) found that only 8% had a credential by age 24. Though it is not a perfect comparison, when we further restrict Iowa to students who were 17 or 18 upon entering the program, 23% of Iowa's ETV recipients received a credential in six years. Using our best comparison data, the percentage of Iowa's ETV recipients receiving a credential in six years is above the value of ten aggregated states.

Table 3. Percentage of First-Time, First-Year ETV Recipients Receiving a Credential after Four and Six Years: 2012-13 to 2018-19 Cohorts

Cohort	Number of Students	Four Years		Six Years	
		Awarded (%)	Awarded (N)	Awarded (%)	Awarded (N)
2012-13	65	12%	8	17%	11
2013-14	75	16%	12	20%	15
2014-15	51	14%	7	24%	12
2015-16	101	16%	16	20%	20
2016-17	65	15%	10	20%	13
2017-18	79	9%	7		
2018-19	62	11%	7		
Analytic Sample Total	498	13%	67	20%	71
18 Years or Younger Upon First Award in Analytic Sample				23%	37
Sample of 10 States's Recipients (Hanson et al., 2022).				16%	

Table 4 indicates the types of credentials students received in the six years after receiving their first award for the 2012-13 to 2016-17 cohorts. Additionally, it indicates whether a student was still receiving the ETV in the year they received their credential. During the period, 20% of all ETV recipients graduated with a postsecondary credential. While there were 89 credentials awarded, 71 students received a credential from these cohorts because 18 students received multiple credentials during the period. Though the Associate of Arts (AA) degree was the most awarded credential, the second highest credential awarded was a Bachelor of Arts (BA). One item of note is the number of credentials received in years students did not receive the ETV. For example, 35% of those receiving a certificate did not receive the ETV in the year that they graduated. The rates were 31% for AA recipients and 28% for BA recipients. Of those recipients who received a credential and did not receive ETV in the year they received a credential, 71% were eligible and did not re-apply.

Table 4. Credentials Earned Among First-Time, First-Year ETV Recipients: 2012-13 to 2016-17 Cohorts

	Credential Received		Received Credential while On ETV	
	Awarded (%)	Awarded (N)	Awarded (%)	Awarded (N)
Certificate	5%	17	65%	11
Associate's Degree	12%	42	69%	29
Bachelor's Degree	8%	29	72%	21
Graduate Degree	>1%	1	0%	0
Any Degree	20%	71		
Multiple Degrees	5%	18		

POLICY RECOMMENDATION

No longer require current and past students enrolled in the ETV program to complete the Iowa Financial Aid Application annually.

Only 40% of ETV recipients received an award for more than one academic year in our analytic sample of six year outcomes. Despite their eligibility, 71% of students who graduated within six years did not receive an award in their graduation year. Both provide evidence of potential administrative burden in students accessing the ETV award. In order to receive the ETV, a student must annually complete both the FAFSA and the Iowa Financial Aid Application (IFAA). Iowa College Aid proposes that students complete the IFAA for their first year of use. After their first year of receiving an award, ETV recipients would only need to complete their annual FAFSA form by a set deadline to be re-enrolled in the ETV program.

REFERENCES

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- Zhang, X & Saving, J. (2022). “Lowest income workers see accelerated earnings growth during pandemic. *Federal Reserve Bank of Dallas*. <https://www.dallasfed.org/cd/communities/2022/0808>



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